

JAIPRAKASH ASSOCIATES LIMITED

Registered Office : Sector 128, Noida – 201 304, U.P. (India)
Delhi Office : 'JA House', 63, Basant Lok, Vasant Vihar, New Delhi - 110 057
Website : www.jalindia.com ; E-mail : jal.investor@jalindia.co.in



NOTICE

To
The Members,

Notice is hereby given that the following Resolutions are circulated for approval of the Members of the Company to be accorded by **Postal Ballot** in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011:

To consider and, if thought fit, **to give assent/ dissent** to the following Resolutions :

As Special Business

As Special Resolutions :

1. PROVIDING SECURITY TO LENDERS OF JAIPRAKASH POWER VENTURES LIMITED (JPVL), A SUBSIDIARY OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals from the Financial Institutions/ Banks and such other approvals as may be necessary, the Board of Directors of the Company be and is hereby authorized to provide security/guarantee/undertakings, to the lenders of **Jaiprakash Power Ventures Limited (JPVL)**, as per details contained in the Explanatory Statement annexed to the Notice seeking approval of the Members notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/ guarantees so far given by the Company along with the proposed creation/extension of security / providing guarantee / undertakings, may exceed 60% of the Paid-up Capital and Free Reserves of the Company or 100% of its Free Reserves, whichever is more."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

2. PROVIDING SECURITY/ GUARANTEE/UNDERTAKINGS TO LENDER OF MP JAYPEE COAL LIMITED (MPJCL), A JOINT VENTURE COMPANY

"RESOLVED THAT pursuant to **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Financial Institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to create security by way of pledge of equity shares of **MP Jaypee Coal Limited (MPJCL)**, a joint venture company, held by the Company and also to provide undertakings and guarantee to the lender of MPJCL, as per details contained in the Explanatory Statement annexed to the Notice seeking approval of the Members, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company along with the proposed extension of security may exceed 60% of the Paid – up Capital and Free Reserves of the Company or 100% of its Free Reserves, whichever is more."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

3. MAKING ADDITIONAL INVESTMENT OF UPTO Rs.40 CRORES IN BHILAI JAYPEE CEMENT LIMITED AND BOKARO JAYPEE CEMENT LIMITED, JOINT VENTURE SUBSIDIARIES OF THE COMPANY

"RESOLVED THAT pursuant to **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Financial Institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to make additional investment of upto Rs.40 Crore (Rupees Forty Crore only), in aggregate, in two subsidiaries of the Company namely **Bhilai Jaypee Cement Limited and Bokaro Jaypee Cement Limited** by way of acquiring securities of the said subsidiaries and/or giving loans/ financial assistance/ providing security/ guarantee, as per details contained in the Explanatory Statement annexed to the Notice seeking approval of the Members, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company along with the proposed extension of security may exceed 60% of the Paid – up Capital and Free Reserves of the Company or 100% of its Free Reserves, whichever is more."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

4. PROVIDING UNDERTAKINGS TO LENDERS OF KANPUR FERTILIZERS & CEMENT LIMITED, A JOINT VENTURE COMPANY

"RESOLVED THAT pursuant to **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Financial Institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to provide undertakings to the lenders of **Kanpur Fertilizers & Cement Limited (KFCL)**, a joint venture company, as per details contained in the Explanatory Statement annexed to the Notice seeking approval of the Members, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company along with the proposed extension of security may exceed 60% of the Paid –up Capital and Free Reserves of the Company or 100% of its Free Reserves, whichever is more."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

By Order of the Board
For Jaiprakash Associates Limited

(HARISH K. VAID)

Sr. President (Corporate Affairs) &
Company Secretary

NOIDA
July 29, 2013

NOTES:

1. Explanatory Statement and reasons for the proposed special businesses, at items 1 to 4, pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are given hereunder.

2. The Company has appointed Shri D.P. Gupta, F.C.S., Practising Company Secretary as Scrutinizer and Shri M.L. Arora, M.A.(Eco.), F.C.S., LL.B., Practising Company Secretary as Alternate Scrutinizer for the purpose of Postal Ballot exercise.
3. The Notice is being sent to all the Members whose names would appear in the Register of Members/ Record of Depositories **as on Friday, August 23, 2013.**
4. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form (on the Inland) and send it to the Scrutinizer in the enclosed self-addressed Business Reply Inland. Postage will be borne and paid by the Company. However, Inland containing Postal Ballots, if sent by Courier or by Registered Post at the expense of the registered Member will also be accepted. The Inland may also be deposited personally at the address given thereon. However the Inland of **the Postal Ballot should reach the Company not later than the close of working hours on Thursday, October 3, 2013.** If the ballots are received thereafter they shall be deemed to be not received.
5. The Company is extending its offer of **e-voting facility** as an alternate, **for its Members** to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under :
 - i. Open your web browser and log on to the e-voting website **www.evotingindia.com.**
 - ii. Now click on **'Shareholders'**.
 - iii. Now, select the **"Electronic Voting Sequence Number" (EVSN) alongwith "Jaiprakash Associates Limited"** from the drop down menu and click on **"SUBMIT"**.
 - iv. Now fill up the following details in the appropriate boxes:

Enter	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User-id	For NSDL - 8 character DP ID + 8 digit Client ID. For CDSL - 16 digit Beneficial Owner ID	Registered Folio Number with the Company
Pass-word	Your unique Password has been printed on the Postal Ballot form/e-mail forwarding electronic notice. However, the members who have been allotted their Password earlier by CDSL, may use the same. In case they do not remember such Password, they may go to the option "Forget Password" and proceed.	Enter the Password to be sent by the Company. For seeking the Password, the Members are requested to send a signed request letter informing an e-mail id at which the "Password & Default Number" be sent by the Company. Such request be sent at the Registered Office of the Company.
PAN or Default Number	Enter your 10 digit alphanumeric Permanent Account Number issued by Income Tax Department.	Enter the Default Number sent to you by the Company (along with the Password) on your email id as provided by you.

- v. After logging in the details of "User id, Password, PAN or Default Number", the Members holding shares in physical form & Members holding shares in demat form (who had changed their password in the past) will reach directly to the voting screen. However, Members holding shares in demat form, who had not changed their password earlier will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. date of birth, mobile number and email id. Kindly remember the changed Password as this can be used for voting on future Postal Ballot resolution(s) for Jaiprakash Associates Limited or any other Company.
- vi. On the voting Page, you will now see Resolution Description and option for voting YES/ NO against each Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.
- vii. Click on the **Resolution File Link** if you wish to view the complete Postal Ballot Notice.
- viii. Enter the **number of shares** (which represents no. of votes) under each of the headings of the resolution, if you want to vote YES/ NO, but not exceeding your total holding.

- ix. After selecting the list of the resolutions you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change your vote, click on CANCEL and accordingly modify your vote.
- x. Once you have voted on a resolution, you will not be allowed to modify your vote.
- xi. You can log in any number of times till you have voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.
- xii. **Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be ignored.**
- xiii. **In addition to the above, the non-individual members** (like Corporates, FIs, Mutual Funds, Banks, Trusts etc.) who opt for e voting, are also required to submit Board Resolution/Power of Attorney authorising any person to exercise the Voting Power on their behalf alongwith their attested specimen signatures. Scanned copies of such documents are required to be sent to Scrutinizer through e-mail at **scrutinizer.pb@jalindia.co.in** with a copy marked to **helpdesk.evoting@cdslindia.com**. The file containing the said documents should be named as "Member's name_130828001", e.g., in case of shareholder company XYZ Ltd., the file containing the authorisation documents should be named as "XYZ Ltd._130828001". The documents can be sent before/immediately after casting the vote. However, in case the same do not reach Scrutinizer/ CDSL before closure of voting, the vote so exercised will be rejected in the system.
- xiv. If you wish to provide feedback on the e-voting system, click on Suggestions. In case you have any queries or issues regarding e-voting, please contact on **helpdesk.evoting@cdslindia.com**, or on **jal.postalballot@jalindia.co.in**.

6. **In line with the "Green initiative in the Corporate Governance" launched by the Ministry of Corporate Affairs allowing paperless compliances by recognising e-mails as one of the modes of service of notice/documents on the shareholders, the Company is sending this Notice electronically on the e-mail addresses as provided by the members/ as obtained from the Depositories/ other sources to the Members. Such Members may exercise their voting electronically as per the procedure given above.**
7. **In case, the Members who have been sent this Notice electronically and who do not want to avail the e-voting facility organised through CDSL, such members may send a request to the Company on jal.postalballot@jalindia.co.in for obtaining the Notice and Postal Ballot in physical form. On receipt of such requests, the Company will despatch the same in physical form to enable the Members to send back the Postal Ballot by Thursday, October 3, 2013.**
8. The result of the Postal Ballot shall be declared by the Chairman, or in his absence by any other person, so authorized by the Chairman **on Friday, October 4, 2013 at 4.00 P.M.** at the Registered Office of the Company **at Sector 128, Noida – 201304, U.P. (India)** and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballots indicate that the requisite majority of the Shareholders had assented to the Resolutions. Members who wish to be present at the venue at the time of declaration of the result are welcome to do so. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company **www.jalindia.com**.
9. A copy each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. and 1.00 P.M. up to the date of declaration of the results of Postal Ballots.
10. Members voting through Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE DATED JULY 29, 2013 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956 :-

Item 1

Providing security to Lenders of Jaiprakash Power Ventures Limited (JPVL), a subsidiary of the Company :

Jaiprakash Power Ventures Limited (JPVL), a subsidiary of the Company has three Hydro Power Plants with aggregate capacity of 1700 MW in the States of Himachal Pradesh & Uttarakhand, one 500 MW Thermal Power Plant at Bina (MP), and an under implementation 1320 MW (2 x 660 MW) Jaypee Nigrie Super Thermal Power Project in Nigrie, Distt. Singrauli in Madhya Pradesh.

The Lenders of JPVL have put conditions for provision of security/ guarantees/ undertakings to be provided by your Company, being the holding company, as under :

(i) Security for financial assistance of Rs.1200 Crores by ICICI Bank Limited to JPVL :

For the purpose of securing financial assistance of Rs.1,200 Crore (alongwith interest, additional interest, default interest, cost, charges, expenses etc.) sanctioned by ICICI Bank Limited (ICICI) vide its Credit Arrangement Letter No. 34/PFGMUM/56583 read with Letter No. 34/PFGMUM/ 56584 both dated May 28, 2013, for various purposes of JPVL including prepayment/repayment/ refinancing/financing of projects being implemented by JPVL and its subsidiary etc., ICICI has, inter-alia, stipulated that your Company, being the holding company, shall provide additional security, apart from the charge on JPVL project assets and dividend receipts etc., by way of :

- a) Pledge over 48 Crore or such higher number of shares of JPVL held by JAL to provide cover of 1x times of the disbursed / outstanding loan amount. Pledge to be provided by JAL on pro-rata basis for each disbursement. Such pledge shall be released on proportionate basis on repayment of 20%, 40%, 60%, 80% and 100% of the Facility;
- b) Extension of pledge over shares of JPVL held by JAL provided under the existing financial assistance of Rs.10.00 billion availed from ICICI Bank Ltd. which shall rank pari passu to the facility of Rs.12.00 billion.
- c) Undertaking of JAL to the effect that JAL shall continue management control of JPVL and it shall not reduce its equity shareholding in JPVL below 51% without prior approval of ICICI.

(ii) Shortfall Undertakings/Guarantee and Extension of already Pledged Shares in respect of 1320 MW Jaypee Nigrie Super Thermal Power Project (Nigrie Project) being implemented by JPVL

The shareholders of the Company have, from time to time, accorded their approval for providing of security/guarantee/various undertakings by the Company in favour of Lenders of the Nigrie Project of JPVL, through Postal Ballots on June 27, 2009, August 31, 2010, July 19, 2011 and July 14, 2012.

The project cost of Jaypee Nigrie STPP of JPVL has since been reassessed at Rs.10,450 Crores as against the earlier appraised cost of Rs.8,100 Crores and the means of finance have been revised to be funded by Equity of Rs.3,135 Crores and Debt of Rs.7,315 Crores, on the basis of Debt/ Equity/Internal Accruals in the ratio of 70 : 30. The additional project cost is proposed to be financed by JPVL through Equity/Internal Accruals of Rs.705 Crores and Debt of Rs.1,645 Crores.

ICICI Bank Ltd., the lead, has re-appraised the revised cost and has agreed to syndicate the additional Debt of Rs 1645 Crore. ICICI Bank Ltd. has sanctioned its share of Rs. 500 Crore to JPVL vide letter No. 34/PFGMUM/58637 read with letter No.34/PFGMUM/58638, both dated July 25, 2013.

JPVL has informed the Company about the main terms and conditions of the additional financial assistance of Rs 1645 Crore, including Bridge loan/interim loan in respect of additional financial assistance which, inter-alia, would be secured by way of the first charge on project assets of Jaypee Nigrie STPP, besides Security and Sponsor (JAL)/Equity Support, if and when required as under:-

- i. Security by way of extension of Pledge of 62.91 Crore Shares of Rs.10 each of JPVL held by JAL ranking pari passu with lenders of Nigrie (existing/additional Debt) Baspa-II HEP and Vishnuprayag HEP;

- ii. Sponsor (JAL) /Equity Support, if and when required, by way of Sponsor Support Undertaking:

- To ensure the infusion of entire additional equity requirement of the Project by JPVL;
- To meet any fund requirement of the Project in case of additional cost overrun;
- To ensure that entire additional debt is tied-up by JPVL within 6 months from effective date. The Company to provide support to meet shortfall, if any, till such time, balance debt amount is tied-up by JPVL to the satisfaction of Lenders;
- To retain the management control of the Borrower and ownership of atleast 51% equity of the Borrower;

- iii. Sponsor (JAL) shall provide unconditional and irrevocable Letter of Comfort to ensure the Borrower's debt servicing obligations.

The Letter of Comfort shall be released on occurrence of the following:

- a) Creation and perfection of stipulated security;
- b) Dedicated Coal mines have commenced operations and such operations are to the satisfaction of the Lenders;
- c) Debt Service Coverage Ratio (DSCR) of 1.20x for a full year of operations;
- d) Madhya Pradesh Electricity Regulatory Commission's approval for cost of Project based on which DSCR of 1.20x has been established.

JAL holds 178,30,00,600 Equity shares of Rs.10 each aggregating to Rs.1783,00,06,000 representing 60.69% of the Paid up Capital of JPVL.

In terms of the provisions of the Section 372A of the Companies Act, 1956, providing of security/guarantee/undertakings by the Company for the financial assistance provided by the lenders to other bodies corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

In the circumstances, Members' approval is sought for providing of the aforesaid requisite security by way of pledge/ undertakings/guarantee by JAL in favour of lenders of JPVL. Necessary funds, if at all required, shall be raised through Company's own resources.

None of the Directors except S/Shri Manoj Gaur, Sunil Kumar Sharma, B. K. Talaria, R. N. Bhardwaj and S. C. Bhargava, being common Directors of JAL & JPVL; Shri Sunny Gaur being brother of Shri Manoj Gaur; and Shri B.K. Goswami & Shri Ranvijay Singh (both Directors of JAL) being brothers of Shri A.K. Goswami & Shri Praveen Kumar Singh respectively (both Directors of JPVL), may be deemed to be concerned or interested in the proposed Resolution.

The Board commends the resolution for your approval as a Special Resolution.

Item 2

Providing Security/ Guarantee/Undertakings to Lender of MP Jaypee Coal Limited (MPJCL), A Joint Venture Company

MP Jaypee Coal Limited (MPJCL), a joint venture between your Company and Madhya Pradesh State Mining Corporation Ltd. (MPSMCL), is in the process of developing the Dongri Tal-II Coal Block located in District Singrauli, Madhya Pradesh for use in 1320 MW Jaypee Nigrie super critical thermal power plant at Nigrie, Madhya Pradesh, being set up by Jaiprakash Power Ventures Ltd., a subsidiary of your Company. The rated capacity of the mine is 2.9 million tonnes of coal per annum.

MPSMCL holds 51% of issued equity shares of MPJCL in consideration for the mining rights granted to the JV Company and your Company holds 49% equity in the JV Company.

The Members may recall that they had accorded approval through Postal Ballot on December 8, 2012 to provide security/ guarantee/ undertakings in favour of ICICI Bank Limited who had sanctioned a Rupee Term Loan of Rs.225 Crore to MPJCL to meet the cost of development and operation of the Project, whose cost was estimated at Rs.335 Crore. The said loan was, however, not availed by MPJCL.

The estimated cost of Project has now been revised to Rs.660 Crore mainly on account of increase in land cost, mine development cost and cost of resettlement and rehabilitation. To part finance the revised cost of Project, MPJCL has now been sanctioned a Rupee Term Loan of Rs.430 Crore (Rupees Four Hundred Thirty Crore only) by ICICI Bank Ltd. vide its LOI No. 34/PFGMUM/56797 dated June 5, 2013.

As per the terms and conditions of the said financial assistance, apart

from the charge on MPJCL assets, the financial assistance together with interest thereon at the stipulated rates, additional interest, default interest, premium on repayment, costs, charges, expenses and other monies payable, is required to be secured, inter-alia by:

- a) Pledge of 30% of the Share Capital of MPJCL held by Jaiprakash Associates Limited (JAL);
- b) Executing a Non Disposal Undertaking and Power of Attorney by JAL for 19% of the Share Capital of MPJCL held by JAL
- c) Unconditional and irrevocable Guarantee from JAL;
- d) Other Undertakings from JAL inter-alia include :
 - (i) to fund any shortfall in cash flows for the Project (Shortfall Undertaking). The Shortfall Undertaking shall be valid till one year after the COD;
 - (ii) to retain its current shareholding of 49% of MPJCL directly at all times during the tenor of the facility.

As mentioned above, your Company at present holds 49,00,000 Equity shares of Rs.10 each of MPJCL representing 49% of the Paid up Capital of MPJCL.

In terms of the provisions of the Section 372A of the Companies Act, 1956, provision of security/guarantee by the Company for the assistance provided by the Lenders to other bodies corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

Members may kindly approve the providing of the security by way of pledge of equity shares of MPJCL held by the Company in MPJCL/ Undertakings/ Guarantee in favour of lenders of MPJCL as described above. Necessary funds, if at all required, shall be raised through Company's own resources.

None of the Directors except Shri Manoj Gaur and Shri Sunny Gaur, being common Directors of JAL & MPJCL, may be deemed to be concerned or interested in the proposed Resolution.

Your Directors commend the resolution for your approval as a Special Resolution.

Item 3

Making additional investment of upto Rs. 40 Crores in Bhilai Jaypee Cement Limited and Bokaro Jaypee Cement Limited, Joint Venture Subsidiaries of the Company

Members may recall that they had accorded their approval through Postal Ballot on February 25, 2006 to make an aggregate investment of upto Rs.200 Crores in the companies to be incorporated as Joint Venture Companies with Steel Authority of India Limited (SAIL), as Special Purpose Vehicle, for setting up slag based Cement Plants.

Thus, your Company (JAL) promoted two companies namely Bhilai Jaypee Cement Limited (BJCL) and Bokaro Jaypee Cement Limited (BoJCL) in Joint Venture with SAIL, with equity participation from JAL and SAIL in the ratio of 74:26, for setting up the Projects as under :

- (i) 2.2 MTPA Plant, split-located at Bhilai in the State of Chattisgarh and Babupur, Satna in the State of Madhya Pradesh, implemented through BJCL.
- (ii) 2.1 MTPA Grinding Plant at Bokaro Steel City, implemented through BoJCL.

Further, the Members had accorded their approval in the Annual General Meeting of the Company held on September 29, 2009 and through Postal Ballot on December 8, 2012, for an additional investment of Rs. 200 Crores and Rs.100 Crores, respectively, in the aggregate, in the said joint venture subsidiaries. Thus, the total limit approved by the Board and the Shareholders for investment in the joint venture with SAIL stood increased to Rs.500 Crores to part fund the Project Cost of the two Projects then estimated at Rs.1,351.47 Crores.

As the completed cost of the Projects has aggregated Rs.1,404.48 Crores, JAL would need to provide additional funds aggregating upto Rs.40 Crores to these joint venture subsidiaries for which purpose approval of the shareholders is sought. The Company will meet the proposed obligations through its own resources.

JAL holds 28,09,66,752 Equity shares of Rs.10 each of BJCL and 9,89,01,000 Equity shares of Rs.10 each of BoJCL representing 74% of the Paid up Capital of both the companies.

In terms of the provisions of the Section 372A of the Companies Act, 1956, providing of security/guarantee/undertakings by the Company for the financial assistance provided by the lenders to other bodies corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

None of the Directors except (i) S/Shri Sunny Gaur and Rahul Kumar, being common Directors of JAL & BJCL and (ii) S/Shri Sunny Gaur, Rahul Kumar and R.K.Singh, being the common Directors of JAL & BoJCL; and Shri Manoj Gaur (Director of JAL) being brother of Shri Sunny Gaur may be deemed to be concerned or interested in the proposed Resolution.

The Board commends the resolution for your approval as a Special Resolution.

Item 4

Providing undertakings to lenders of Kanpur Fertilizers & Cement Limited, a Joint Venture Company

In terms of shareholders' approvals accorded on March 12, 2010 & August 31, 2010, your Company (JAL) ventured into Fertilizer business by acquiring the Kanpur based Fertilizer Undertaking of Duncans Industries Ltd. (DIL) through **Kanpur Fertilizers and Cement Limited (KFCL)**, a joint venture company, which is a subsidiary of Jaypee Uttar Bharat Vikas Private Limited (JUBVPL). The said acquisition was through a Scheme of Rehabilitation duly approved by the Board of Industrial & Financial Reconstruction (BIFR) in which the wholly owned subsidiary of your Company, namely Jaypee Fertilizers & Industries Ltd. (JFIL) participated as a strategic investor and made necessary investment through JUBVPL.

Your Company is making investments in KFCL through JUBVPL, a joint venture company (with equal equity participation) of JFIL and ISG Traders Ltd., an investment arm of DIL.

On the request of KFCL, State Bank of India (SBI), lead consortium Banker has recently reassessed the Working Capital/ Term Loan requirement of the KFCL from the existing one aggregating Rs.950 Crores (Working Capital of Rs.650 Crores & Term Loan of Rs.300 Crores) to Rs.1,518 Crores (Working Capital:Rs.900 Crores; Term Loan: Rs.618 Crores).

Out of the total reassessment, SBI has sanctioned its share of Working Capital (Rs.70 Crores) and Term Loan (Rs. 168 Crores) to KFCL vide its Credit Arrangement Letter No. CAG/AMT 3/2013-14/118 dated July 26, 2013. The balance facilities aggregating Rs.330 Crores will be shared by the participating Banks.

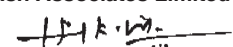
As per the terms and conditions of the sanction, besides creation of security on stocks, receivables and other current assets and also on the fixed assets (movable & immovable) both present and future of KFCL, the facilities shall be further secured by the undertaking of Jaiprakash Associates Limited (JAL) that (a) it shall always own directly or indirectly, legally and beneficially not less than 50% equity capital of KFCL and (b) in case of non-payment of dues by the borrower, it shall arrange to pay the outstanding dues of the lenders.

In terms of the provisions of the Section 372A of the Companies Act, 1956, providing of undertakings by the Company for the financial assistance provided by the lenders to other bodies corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution. Necessary funds, if at all required, shall be raised through Company's own resources.

None of the Directors except S/Shri Manoj Gaur, Sunny Gaur and S.D. Nailwal being the common Directors of JAL & KFCL, may be deemed to be concerned or interested in the proposed Resolution.

The Board commends the resolution for your approval as a Special Resolution.

By Order of the Board
For **Jaiprakash Associates Limited**



(**HARISH K. VAID**)

Sr. President (Corporate Affairs) &
Company Secretary

NOIDA
July 29, 2013